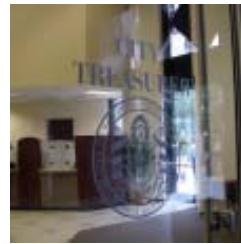
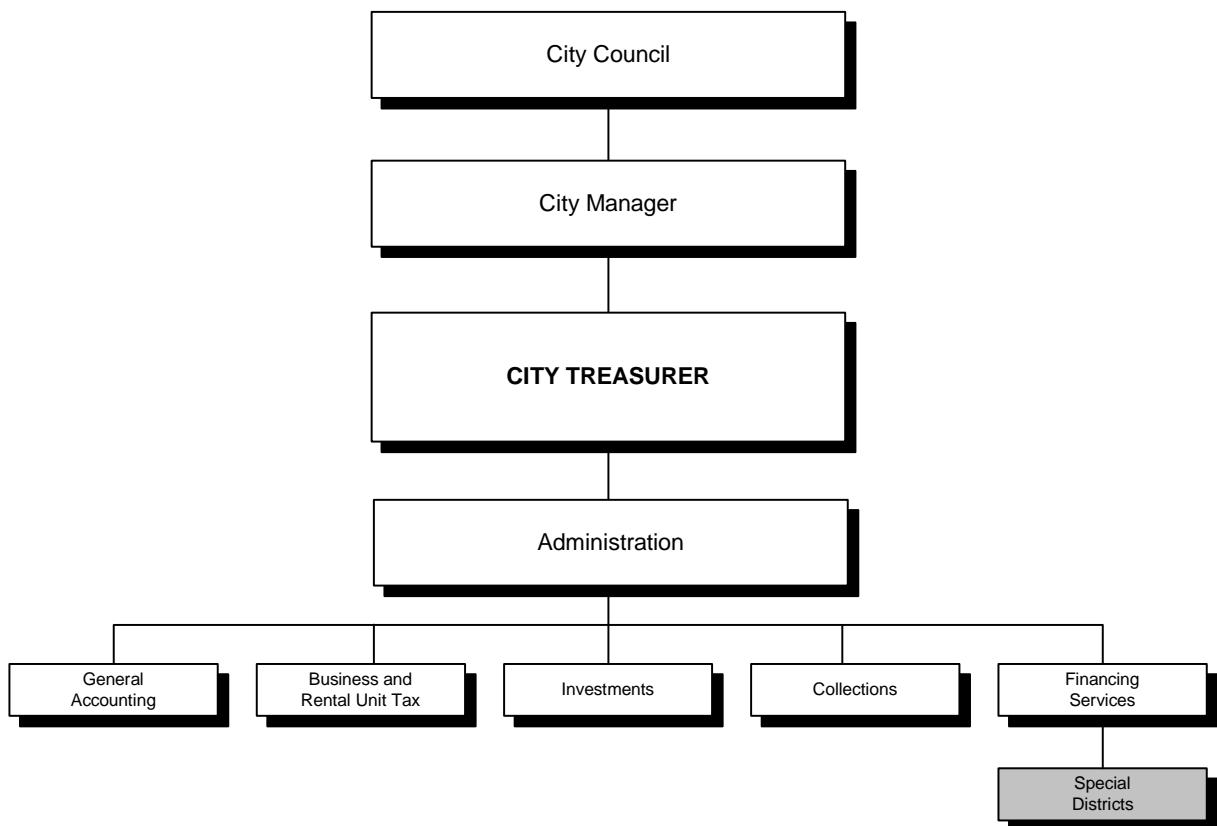


City Treasurer



To enrich our community by responsibly managing the public's money and creating an atmosphere of pride through mutual support and outstanding service.



City Treasurer

Department Description

The Office of the City Treasurer is responsible for managing the public's money as well as providing the most cost-effective and fiscally responsible process for managing short and long-term debt and developing financing plans. Restructuring will occur in Fiscal Year 2003, combining the Office of the City Treasurer and Financing Services, in order to consolidate and enhance the level of fiscal services provided to the public. The department is also responsible for generating a significant amount of revenue to the City, by collecting overdue accounts receivables.

Milestones Met/Services Provided

In Fiscal Year 2001, the Office of the City Treasurer relocated to the lobby of Civic Center Plaza. This move provides customers with a more centralized location to conduct City business, including the processing of Business Tax applications and the acceptance of all Citywide payments. The Office of the City Treasurer has partnered with the Combined Organizations for Visual Artists to promote local artwork in the new location. This partnership showcases the artwork of local artists on a quarterly basis at no cost to the City.

During Fiscal Year 2002, Financing Services coordinated the issuance of tax-exempt lease revenue bonds for a portion of the City's contribution to the Ballpark and Redevelopment Project. The issuance of the lease revenue bonds and construction of the project were delayed for a significant period of time due to the

existence of outstanding litigation concerning the project. However, Financing Services worked with other members of the Ballpark Financing Team to identify and analyze possible alternative financing structures, and to procure a municipal bond insurance policy with respect to the financing. As a result of these efforts, in February 2002, the City issued lease revenue bonds for the project, which allowed the construction of the Ballpark to resume.

In Fiscal Year 2002, the City acquired portions of Carmel Valley Road, Camino Ruiz and San Dieguito Road, in the Black Mountain Ranch Community Area, using the proceeds of a \$60 million Mello-Roos bond issuance facilitated by Financing Services/Special Districts Administration.

Future Outlook

The department continues to provide cost-effective financing alternatives, which enable City departments to acquire necessary equipment to improve and provide more efficient services to the public.

Future financings anticipated during Fiscal Year 2003 include the water and wastewater system improvements, and a fire and lifeguard facility improvement issuance. A financing plan for the Library System financing is anticipated to be developed in Fiscal Year 2003. A first series of Mello-Roos bonds is anticipated to be issued for the acquisition of public improvements in connection with the Naval Training Center Redevelopment Project.

Significant Budget Adjustments

City Treasurer	Positions	Cost
Personnel Expense Adjustments	0.00 \$	247,982
Adjustments to reflect the annualization of the FY 2002 negotiated salary compensation schedule, average salaries, fringe benefits and other personnel expense adjustments.		
Staffing and Support for Collections activities (Reimbursable)	8.00 \$	513,719
The addition of 5.00 Collection Investigators I, 1.00 Collection Investigator II, 1.00 Collection Investigator III, and 1.00 Clerical Assistant II and support will generate revenues to the City by collection of Citywide overdue accounts receivable. Gross revenues to the General Fund are estimated at \$800,000 and gross revenues to other funds are estimated at \$500,000.		
Contractual Services	0.00 \$	229,025
Increase for postage, and for contractual services to maintain current service levels in existing contracts with financial and investment institutions, as well as to maintain existing computerized systems for investments, Business License and Collection Programs required for department operations.		
Non-Discretionary	0.00 \$	(10,087)
Adjustments to reflect expenses that are determined outside of the department's direct control. Examples of these adjustments include utilities, insurance, and rent.		
Management Reallocation	(0.30) \$	(48,724)
Financial Management Director reallocation due to internal reorganization.		
Budgetary Savings Plan	(2.00) \$	(86,366)
Reduction of 1.00 Public Information Clerk and 1.00 Clerical Assistant II will reduce counter staffing and telephone assistance to citizens, reduce lobby hours to the public, and delay the processing of payments and Citywide revenue receipts.		

City Treasurer

Significant Budget Adjustments (continued)

Financing Services - Special Districts Department	Positions	Cost
Personnel Expense Adjustments	0.00 \$	14,828
Adjustments to reflect the annualization of the FY 2002 negotiated salary compensation schedule, average salaries, fringe benefits and other personnel expense adjustments.		
Non-Discretionary	0.00 \$	8,735
Adjustments to reflect expenses that are determined outside of the department's direct control. Examples of these adjustments include utilities, insurance, and rent.		

City Treasurer

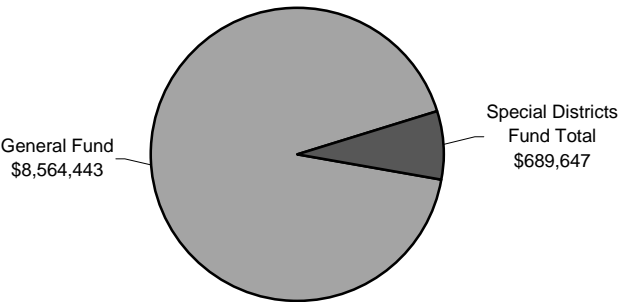
City Treasurer			
	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 PROPOSED
Positions	87.79	90.56	96.26
Personnel Expense	\$ 4,828,165	\$ 5,674,462	\$ 6,245,742
Non-Personnel Expense	3,596,700	2,710,516	3,008,348
TOTAL	\$ 8,424,865	\$ 8,384,978	\$ 9,254,090

Department Staffing	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 PROPOSED
GENERAL FUND			
City Treasurer	81.68	83.41	89.11
Total	81.68	83.41	89.11
SPECIAL DISTRICTS FUND			
Financial Services - Special Districts	6.11	7.15	7.15
Total	6.11	7.15	7.15

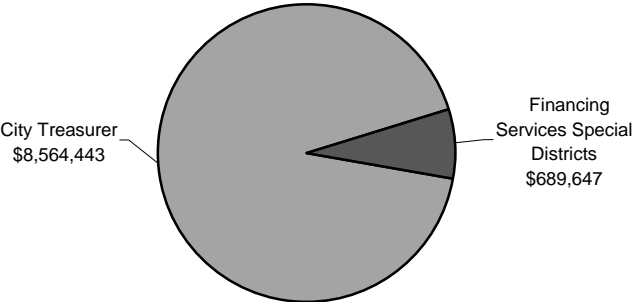
Department Expenditures	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 PROPOSED
GENERAL FUND			
City Treasurer	\$ 7,957,524	\$ 7,718,894	\$ 8,564,443
Total	\$ 7,957,524	\$ 7,718,894	\$ 8,564,443
SPECIAL DISTRICTS FUND			
Financial Services - Special Districts	\$ 467,341	\$ 666,084	\$ 689,647
Total	\$ 467,341	\$ 666,084	\$ 689,647

City Treasurer

Source of Funding



Allocation of Funding



Budget Dollars at Work

- \$73 Million in Tax Anticipation Notes to meet the City’s cash flow needs
- \$11,544,328 Revenue collected by Collection Program
- Provided in-house financial analysis to support projects endorsed by the Mayor, City Council, and City Manager
- Provided assistance in developing financing options for public improvements associated with the “City of Villages” planning strategy to manage growth and development
- \$10 Million of annual special taxes and assessments, was calculated, enrolled, and apportioned to 7,000 parcels

Key Performance Measures

	FY 2001 Actual	FY 2002 Budget	FY 2003 Proposed
Average cost per dollar invested expressed as basis points ⁽¹⁾	4	6	6
Average cost per bank transaction reconciled	\$1.42	\$0.65	\$0.78
Average cost per Business and Rental Tax account administered	\$10.55	\$11.79	\$12.48
Average cost per existing and new bond financing	\$15,955	\$13,954	\$14,913
Average cost per internal financial consultation	\$948	\$1,011	\$1,118
Average cost per water/sewer plan analyzed and prepared ⁽²⁾	\$90,055	\$116,125	\$131,779
Average cost per parcel enrolled 1915 Act District and Community Facilities Districts ⁽³⁾	\$52	\$57	\$62
Average cost per parcel serviced 1911 Act District ⁽⁴⁾	\$621	\$833	\$1,704
Average cost of special district formation proceedings ⁽⁵⁾	\$31,670	\$60,751	\$37,506
Average cost per dollar collected delinquent account ^{(6) (7)}	\$0.17	\$0.25	\$0.22

⁽¹⁾ One basis point equals 0.01 of a percent.

⁽²⁾ The increase in average cost per financial plan is a result of an increase in complexity of the analysis required, leading to the application of higher level staff resources and additional non-personnel support.

⁽³⁾ Reflects a decrease in the number of parcels enrolled associated with the final maturity of a 1915 Act District Bond. Also, does not reflect parcels that may be enrolled in Fiscal Year 2003 relating to proposed Community Facilities District #3 (Liberty Station).

⁽⁴⁾ In Fiscal Year 2003, the cost per parcel is expected to increase due to a decrease in the number of parcels enrolled associated with the final maturity of a 1911 Act District Bond. It is also anticipated that staff resources will be reallocating during Fiscal Year 2003 from this activity to the 1915 Act District/Community Facilities Districts.

⁽⁵⁾ The annual cost of formation proceedings increased in Fiscal Year 2002 due to a reallocation of staff resources to this activity, and due to the increased complexity of the formation proceedings and related bond issuances managed.

⁽⁶⁾ In Fiscal Year 2001, an unusually high number of outstanding parking citations were referred to the Collections Division, a number of which were paid in response to the mailing of an initial collection notice with no material collection effort. This factor resulted in a significant increase in revenues (as compared to prior fiscal years's revenues of \$9.8 million).

⁽⁷⁾ The revenues estimated to be collected in Fiscal Year 2003 assumes the addition of eight positions.

City Treasurer

Division/Major Program Descriptions

Administration

This program is responsible for supervising the department's operations, providing financial analysis, projections, and reports relating to departmental activities and to ensure consistent, effective, and economical achievement of department objectives and mission. It also provides treasury services for the Redevelopment Agency and the Public Facilities Financing Authority. The City Treasurer serves as a member of the Funds Commission, the Board of Administration of the City Employees' Retirement System, and as a Trustee for the Supplemental Pension Savings Plan and 401(k) plans. Through deputization of the Retirement Officer, the City Treasurer oversees certain record keeping functions for the City Employees' Retirement System.

Investments

The Investments program is responsible for the investment of cash balances for the City. The Investment Program also provides cash management services for the City, including maintenance of banking relationships and the review of deposit and disbursement procedures.

General Accounting

This program is responsible for collecting fees, fines, permits, taxes and other Citywide payments. Treasury Accounting processes Transient Occupancy Tax returns, and balances and reports daily revenue to the City Auditor and Comptroller including accounting for daily cash deposits of City funds in various banks, maintaining records for City investments, and accounting for investments in the Cemetery Perpetuity, Los Peñasquitos Preserve Fund and Sergeant, Peters and Benjamin Memorial Trust Funds.

Business Tax Program

This program administers the collection of the City's Business Tax and Rental Unit Business Tax, and handles the collection of Business Improvement District assessments.

Collection Program

This program is responsible for the administration and collection of delinquent accounts that have been referred to the City Treasurer by other City departments and agencies. This program also represents the City in Small Claims Court actions on delinquent accounts and it investigates, prepares documents, and assists the City Attorney's Office in court actions on delinquent accounts in order jurisdictions.

Division/Major Program Descriptions (continued)

Bond Financing Utilities and Analysis

This program evaluates the financial, economic and fiscal implications of issues confronting the City, and selects and implements the most cost-effective processes for managing short-term and long-term debt. This program also provides in-house consultation services such as cost benefit and fiscal impact analyses requests by the City Council, the City Manager, and other City departments. This program also ensures the City's compliance with federal securities laws. This program develops prudent and equitable financial plans and rate structures for the Water and Metropolitan Wastewater Departments, and determines the optimal mix of revenues necessary to fund infrastructure requirements while ensuring compliance with federal, state, and local legal mandates.

Special Districts Administration

This program provides the City with a cost-effective and fiscally responsible process for managing the public financing process using Communities Facilities Districts, 1915 Act Assessment Districts, and 1911 Act Districts. Responsibilities include comprehensively managing all special district formation procedures and related bond issuances; calculating and enrolling special taxes and assessments; collecting delinquent accounts; and assisting communities in the formation of new assessment districts, while adhering to all legal and City policy guidelines.

City Treasurer

Salary Schedule

GENERAL FUND

City Treasurer

<i>Class</i>	<i>Position Title</i>	<i>FY 2002 Positions</i>	<i>FY 2003 Positions</i>	<i>Salary and Fringe</i>	<i>Total</i>
1104	Account Clerk	5.00	5.00	44,540	222,700
1106	Senior Management Analyst	3.00	3.00	82,623	247,870
1107	Administrative Aide II	1.00	1.00	57,969	57,969
1218	Associate Management Analyst	2.00	2.00	73,975	147,949
1222	Associate Economist	3.00	3.00	73,391	220,174
1243	Information Systems Admin	1.00	1.00	99,957	99,957
1330	Cashier	3.00	3.00	45,197	135,591
1331	Collections Investigator I	16.00	21.00	54,069	1,135,449
1332	Collections Investigator II	3.00	4.00	62,848	251,392
1333	Collections Investigator III	3.00	4.00	68,722	274,888
1344	Collections Manager	1.00	1.00	89,670	89,670
1348	Information Systems Analyst II	1.00	1.00	73,121	73,121
1349	Info Systems Analyst III	1.00	1.00	81,141	81,141
1424	Economist	2.00	2.00	80,222	160,444
1465	Field Representative	1.00	1.00	45,941	45,941
1535	Clerical Assistant II	12.00	12.00	41,622	499,464
1575	Data Entry Operator	1.76	1.76	46,155	81,232
1576	Data Entry Supervisor	1.00	1.00	54,521	54,521
1776	Public Information Clerk	3.00	2.00	44,744	89,488
1840	Senior Cashier	1.00	1.00	51,162	51,162
1842	Accountant II	1.00	1.00	68,977	68,977
1844	Senior Account Clerk	3.00	3.00	50,484	151,452
1876	Executive Secretary	0.70	0.70	60,383	42,268
1879	Senior Clerk/Typist	2.00	2.00	50,729	101,457
1917	Supervising Management Analyst	2.00	2.00	90,604	181,207
1923	Supervising Economist	3.00	3.00	85,754	257,262
2111	Assistant City Manager	0.02	0.02	210,250	4,205
2130	Financial Management Director	0.30	0.00		-
2153	Deputy City Manager	0.68	0.68	191,218	130,028
2190	Treasurer	1.00	1.00	152,631	152,631
2214	Deputy Director	0.95	0.95	104,571	99,342
2228	Principal Accountant	1.00	1.00	114,387	114,387
2241	Investment Officer	1.00	1.00	140,853	140,853
2256	Assistant Investment Officer	2.00	2.00	102,191	204,382
	Bilingual - Regular	0.00	0.00		6,323
	Temporary Help	0.00	0.00		50,566
	Overtime Budgeted	0.00	0.00		9,012
	Total	83.41	89.11	\$	5,734,475

Salary Schedule (continued)

Financing Services - Special Districts

<i>Class</i>	<i>Position Title</i>	<i>FY 2002 Positions</i>	<i>FY 2003 Positions</i>	<i>Salary and Fringe</i>	<i>Total</i>
1106	Senior Management Analyst	1.00	1.00	82,622	82,622
1107	Administrative Aide II	2.00	2.00	57,968	115,935
1746	Word Processing Operator	1.00	1.00	42,955	42,955
1844	Senior Account Clerk	1.00	1.00	50,484	50,484
1876	Executive Secretary	0.05	0.05	60,400	3,020
1917	Supervising Management Analyst	1.00	1.00	90,608	90,608
2153	Deputy City Manager	0.05	0.05	191,280	9,564
2214	Deputy Director	0.05	0.05	110,580	5,529
2270	Program Manager	1.00	1.00	110,550	110,550
Total		7.15	7.15	\$	511,267
CITY TREASURER TOTAL		90.56	96.26	\$	6,245,742

City Treasurer

Five-Year Expenditure Forecast

	FY 2003 PROPOSED	FY 2004 FORECAST	FY 2005 FORECAST	FY 2006 FORECAST	FY 2007 FORECAST
Positions	96.26	96.26	96.26	96.26	96.26
Personnel Expense	\$ 6,245,742	\$ 6,433,114	\$ 6,626,108	\$ 6,824,891	\$ 7,029,638
Non-Personnel Expense	<u>3,008,348</u>	<u>3,098,598</u>	<u>3,191,556</u>	<u>3,287,303</u>	<u>3,385,922</u>
TOTAL EXPENDITURES	\$ 9,254,090	\$ 9,531,712	\$ 9,817,664	\$ 10,112,194	\$ 10,415,560

Fiscal Year 2004 – Fiscal Year 2007

No major projected requirements.